

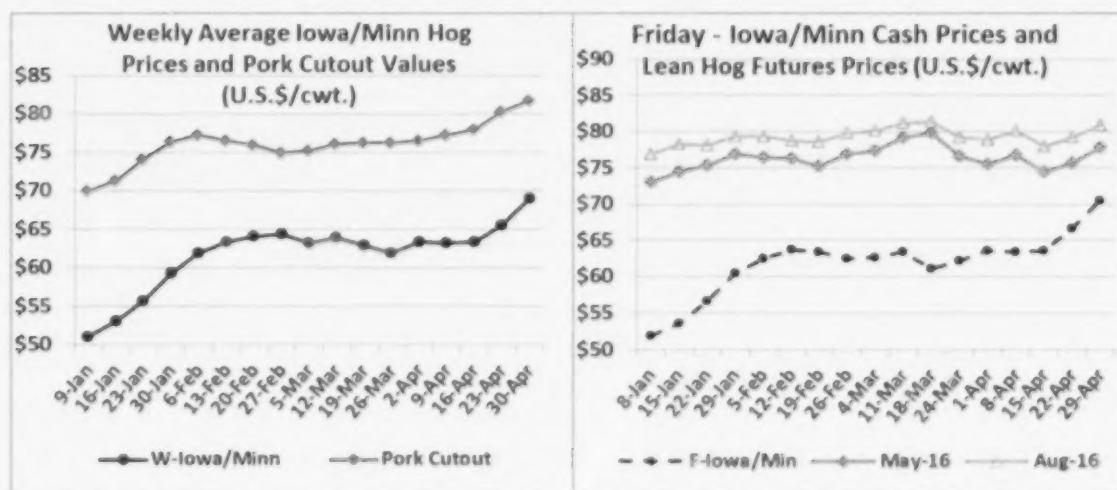
*This information is provided as a resource by Saskatchewan Agriculture staff.
All prices are in Canadian dollars unless otherwise noted.
Please use this information at your own risk.*

Weekly Hog Report

May 2, 2016

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) again moved higher last week ending Friday higher, week-over-week. Hog prices on Friday April 29 averaged US\$70.40 per cwt, up US\$3.83 per cwt or 5.7 per cent from US\$66.57 per cwt the previous Friday. The negotiated base price last week averaged US\$68.93 per cwt, up US\$3.43 per cwt or 5.2 per cent from US\$65.50 per cwt the previous week. Hog prices moved higher with lower weekly hog slaughter numbers as per normal seasonal cycles.



Source: LMIC

Source: LMIC, CME

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday April 29, 2016 was \$160.19 per ckg, up \$5.80 per ckg or 3.8 per cent from \$154.39 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$157.23 per ckg, up \$6.47 per ckg or 4.3 per cent from the previous weeks' average price of \$150.76 per ckg. The Canadian dollar was again higher last week closing Friday at 79.69 cents, up 0.77 cents from 78.92 cents the previous Friday.

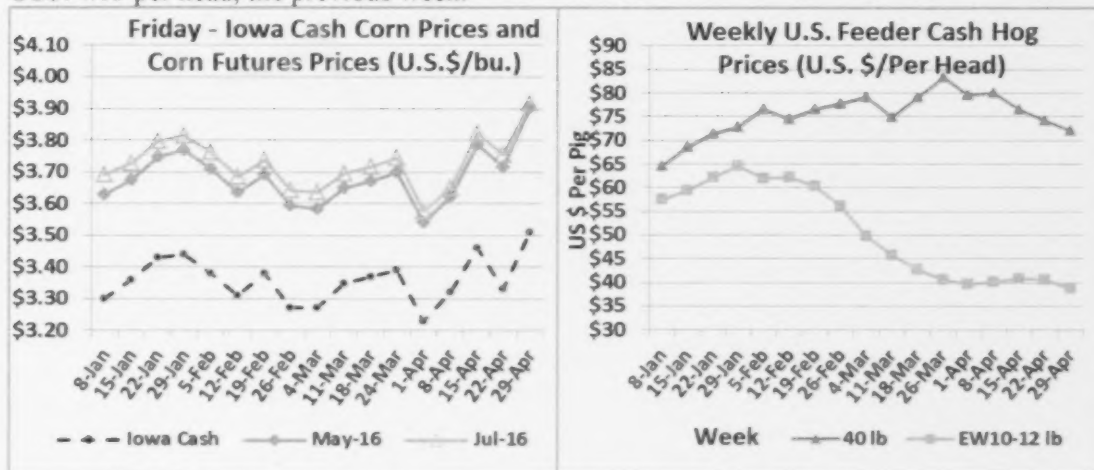
Futures Markets

United States lean hog futures daily prices were mixed early in the week before taking off higher in the week to end higher, week-over-week. The May-to-August 2016 lean hog futures contracts increased between US\$1.650 per cwt and US\$2.875 per cwt. The May contract increased US\$2.200 per cwt to settle Friday at US\$77.900 per cwt, while the August contract increased US\$1.650 per cwt to settle Friday at US\$80.875 per cwt.

The June contract had the larger increases moving US\$2.875 per cwt higher to settle Friday at US\$81.700 per cwt. Lean hog future markets continue to indicate that higher summer prices are coming which is the normal seasonal cycle with lower hog supplies and higher pork demand during the summer months.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were primarily lower last week. Weighted average cash prices for iso-weans (12lb) last week were US\$38.85 per head, down US\$1.77 per head from US\$40.62 per head the previous week. Feeders (40lb) averaged US\$71.96 per head, down \$2.19 per head from US\$74.15 per head, the previous week.



Source: LMIC

Source: Iowa Agriculture, CME

U.S. corn prices rebounded strongly last week. Iowa cash corn prices increased eighteen cents to settle Friday at US\$3.51 per bushel. U.S. daily corn futures prices were primarily higher over the week to end significantly higher, week-over-week. The May 2016 corn contract increased over eighteen cents per bushel to settle Friday at US\$3.90¼ per bushel, while the July 2016 contract increased over sixteen cents to settle Friday at US\$3.91¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 30 were estimated 2.139 million head, down 4.6 per cent from 2.241 million head the previous week, and down 0.6 per cent from 2.151 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending April 30 averaged 2.183 million head per week, unchanged from the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 23, 2016 were estimated at 401,543 head, down 3.1 per cent from 414,412 head the previous week, and down 3.4 per cent from 415,634 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 407,502 head, up 5.1 per cent from 387,826 head over the same period in 2015. Year-to-date, hogs slaughtered in Canada in 2016 have totaled 6,684,603 head, up 3.7 per cent from 6,448,073 head over the same period in 2015.

Meat Production

U.S. pork production for the week ending April 30, 2016 was estimated at 457.0 million lb., down 4.5 per cent from 478.4 million lb. the previous week, and down 0.4 per cent from 458.7 million lb. the same week a year ago. Pork production over the last four week's ending April 30 was estimated to average 465.5 million lb., down slightly from 466.7 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 30 was estimated at 485.8 million lb., up 0.3 per cent from 484.5 million lb. the previous week, and up 6.3 per cent from 456.8 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 23, 2016, was estimated to average 2.044 billion lb., up 3.5 per cent from 1.974 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2016 is estimated to be up over 2.2 per cent compared to the same period in 2015.

United States Weekly Meat Production

(April 23) Four Week Average - Million Lb.			Percent Change	
	2015	2016	4 Week	YTD 2016
Pork	468.9	468.0	-0.2%	-0.2%
Beef	429.2	457.6	6.6%	4.0%
Chicken	948.9	984.9	3.8%	3.1%
Turkey	126.9	133.2	4.9%	-0.7%
Total	1,973.9	2,043.6	3.53%	2.25%

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending April 30, 2016 averaged US\$81.79 per cwt, up US\$1.52 per cwt or 1.9 per cent from US\$80.27 per cwt the previous week, and up 13.5 per cent from US\$72.07 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending April 30, 2016 averaged US\$215.51 per cwt over the week, down US\$6.76 per cwt or 3.0 per cent from US\$222.27 per cwt the previous week, and down 16.1 per cent from US\$256.94 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending April 30, 2016 averaged US\$118.02 per cwt, up 1.2 per cent from US\$116.65 per cwt the previous week, but down 25.6 per cent from US\$158.59 per cwt the same week a year ago.

For more information contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca